# A User's Guide to the City of Barrie's Department Performance Plans

The City of BARRIE

## Introduction

The City of Barrie's 2014 Business Plan presents details about how the City will use the resources under its control to deliver planned services and service levels. As an aid to understanding these changes, the following pages offer a description of one of the document's key components – the Department Performance Plan.

A Department Performance Plan includes three standard elements:

1. A Performance Summary – this includes a description of the department's products and services, and key performance indicators that can be used to assess results
2. A Budget and Forecast Report – to show the current operating budget request in the context of both prior period and anticipated future period results
3. A Base Budget Change Report – to highlight significant changes between the prior period actual financial results and current period requested amounts, including explanations for any variances greater than $10,000.

When a department wants to introduce changes to its base budget, it will also include a fourth element – a Service Level Change Form. This form provides an opportunity to evaluate the merits of the proposed change before it is incorporated into the base budget.

Overall, the Department Performance Plan strengthens control and accountability over the resources entrusted to a department. This is an evolutionary process that builds on experimentation, practical experience and consensus about what is relevant and significant. Council's feedback is encouraged to ensure future reports include information that offers the best opportunity to illustrate whether, or how much, progress is being made toward achieving its strategic priorities.

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# Performance Plan 2014

**Department:**
Finance

**Departmental Overview**

The Finance Department provides four services: corporate finance and accounting; purchasing; taxation and water and wastewater billing. The corporate finance and accounting service includes the development and recommendation of strategies to address short and long term financial objectives of the City; the coordination and preparation of operating budgets; ensuring compliance with PS 3150 Accounting for Tangible Capital Assets; funds investment; banking and audit arrangements; preparation of internal and statutory financial reporting and performance measurements; payroll services and accounts payable. The purchasing service includes management of the corporate procurement function by ensuring the procurement process continues to be transparent, fair and accountable and in compliance with the City's Procurement Policy and by assisting corporate departments in acquiring the goods and services required to deliver their services. The revenue service includes the billing and collection of property taxes, water and wastewater charges and the provision of of customer service. This service also monitors the assessment base and works closely with MPAC and other City Departments to ensure that new assessment is added to the roll as quickly as possible.

**Corporate Finance and Accounting**

The Corporate Finance and Accounting Service requires approximately 45% of the Departments resources to perform the following services:

Corporate Finance

- Provide financial leadership for municipal initiatives by providing relevant, accurate and timely financial information to decision makers
- Instill a financial mindset across the Corporation by reinforcing the integration of financial information into routine decision making
- Provide support, advice and information to all departments for monthly, quarterly, annual budget and financial management requirements
- Provide management with monthly year-to-date expenditure and revenue totals and details of the operating and capital programs

Accounting

- Prepare draft consolidated financial statements and all related working schedules for external auditor
- Prepare and issue all mandatory external financial reporting documents
- Provide financial guidance and support to related Boards & Commissions
- Provide business support as it relates to financial and non-financial performance reporting
- Provide guidance and advice to the divisions on the development of the annual Business Plan
- Coordinate the development and maintenance of divisional performance measures (e.g. CIUBI, MFI/P, BSC)
- Process bi-weekly payroll for 1,700 employees, including those of the Police, Library, Airport, and BIA
- Process over 23,500 vendor invoices within 30 days (on average)
- Process, monitor and follow-up on all outstanding municipal billings, collecting over 4,500 invoices

**Corporate Procurement**

The purchasing service requires approximately 22% of the departments resources to perform the following services:

- Provide professional guidance and advice to clients departments with their procurement processes and in the development and execution of annual procurement plan
- Work with Client departments to develop and facilitate a projected 175 procurement documents that will attract competitive bids from qualified suppliers within 95 Days
- Preparation and issuance of 500 Purchase Orders
- Administer and complete 480 Purchase Order Amendments
- Administration and upkeep of 550 Certificates of Insurance, includes Supplier, Oversized Load Permits and Encroachments
- Provide procurement guidance and support to Boards and Commissions
- Maintain Appropriate levels of inventory, personal equipment and tooling to meet operation needs and ensure effective cost controls, and provide 24/7 customer support through the stores operations (SWTF and Ops Centre)

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A

**Departmental Functions:** Every Performance Plan starts with a general description of the department's structure and functions (see "A"). This informs the reader what products and/or services are available from the department.

More detailed information about the department's products and services are also provided (see "B"). From reading these details, you should develop an understanding of the type of work that is performed and how the department's resources are applied to produce them.

B

**Key Department Objectives:** Every department has a series of objectives that guide its work (see "C"). These are useful to read because they help establish expectations for what the department is trying to achieve. They also provide context for assessing reported results. Typically, the objectives will not change from year to year.

If you read the key departmental objectives, you should be better able to understand the performance indicators reported by the department and use this information to assess how well it is doing. Also, the key departmental objectives give you a good idea about what the department views as the most important things it is trying to accomplish.

In any particular year, the department may also identify a number of specific objectives that relate either to Council's Strategic Priorities or to significant program deliverables. These would be identified in the "Strategic Plan & Other Program Deliverables" section (see "C").

## Tax, Water and Wastewater Billing, Collection and Customer Service

The taxation billing, collection and customer service program requires approximately 17% of the Departments resources to perform the following services:

- Handling 30,000 phone and in person inquiries
- Issuance and collection of 75,000 municipal property tax bills

The water and wastewater billing and customer service program requires approximately 16% of the Departments resources to perform the following services:

- Handling 40,000 phone and in person inquiries annually
- Issuance and collection of 250,000 water and wastewater bills annually

### Key Departmental Objectives

Provide the City's operating and support departments with the business infrastructure for:

- Protecting and preserving the assets of the City
- Accurate and efficient recording of business and payroll transactions
- Timely billing and revenue collection for municipal services bills
- Competitive and timely procurement processes

### Strategic Plan & Other Program Deliverables

Update the City-Wide Development Charges By-law to reflect growth management plan

- Establish mechanism to monitor growth and administer developer agreements
- Update Long Range Financial Plan to reflect growth management plans
- Enterprise Resource Planning (ERP) System implementation
- Develop Assessment Growth Maximization Process

### Major Initiatives /Issues

- Work with Engineering, Building and Planning to develop a process to monitor growth management plan
- Establish mechanism for tracking and reporting on the cost of growth
- Develop process for administering developer agreements
- Work with MPAC and other City Departments to develop a process to accelerate the timing of capturing the assessment growth and to improve the ability to forecast assessment growth
- Support and participate in the implementation of the Enterprise Resource Planning System

### Key Performance Indicators

Protecting and Preserving the assets of the City

| Indicator | 2012 Actual | 2013 Plan | 2013 Projected | 2014 Plan |
|---|---|---|---|---|
| Minimum Savings from Assessment Maximization | NA | NA | NA | $70,000 |

Accurate and efficient recording of business and payroll transactions

| Indicator | 2012 Actual | 2013 Plan | 2013 Projected | 2014 Plan |
|---|---|---|---|---|
| Accounts payable cost per invoice paid (FINV217) | $5.95 | $3.25 | $4.40 | $4.40 |
| Percentage of invoices paid in 30 days | 61.4% | NA | 70% | 65% |
| Average dollars spent per P-card transaction (FINV243) | $235.46 | $250 | $225 | $240 |
| Cost per payroll payment | $6.90 | $6.50 | $6.40 | $6.50 |

Timely billing and revenue collection for municipal services bills

| Indicator | 2012 Actual | 2013 Plan | 2013 Projected | 2014 Plan |
|---|---|---|---|---|
| % of accounts enrolled in a pre-authorized payment plan | 23.6% | 25% | 25% | 25% |
| Total tax receivables as a percentage of current year levy | 6.43% | 6.0% | 7.25% | 7.0% |

Competitive and timely procurement processes

| Indicator | 2012 Actual | 2013 Plan | 2013 Projected | 2014 Plan |
|---|---|---|---|---|
| % of Goods Services Purchased through a Procurement Process (FPUR105) | 66.6% | 60% | 60% | 75% |
| Average number of bids per bid call (FPUR415) | 5.00 | 5.00 | 5.24 | 5.00 |
| Benefits of tendering process (FPUR110) | 7.7% | 10% | 6.8% | 10% |

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C

D

E

**Major Initiatives/Issues:** Every Performance Plan describes initiatives that involve significant collaboration either between other departments or with external stakeholders that could influence its actual results (see"D"). This section could provide information about factors affecting planned results and/or additional information about what, specifically, the department plans to do to achieve its objectives within the next few years.

**Key Performance Indicators:** Performance indicators are reported for every departmental objective included in the performance plan (see "E"). The purpose of reporting these indicators is to provide plausible, evidence-based information to support assessments about progress toward planned results. However, these indicators cannot, and they are not intended to, conclusively prove that actual results are/are not meeting expectations.

The indicators reported in a performance plan are selected from a range of data managers use to guide their programs and services. Generally, indicators that describe outcomes (i.e. the consequences of a program or service) and outputs (i.e. the service level provided) are preferable for this form of reporting over inputs (i.e. the amount of resources consumed) or efficiency (i.e. the cost per unit of service provided).

Staff anticipate the number and type of indicators included in a performance plan to evolve. With more experience and dialogue with both Council and the public about how to assess performance, staff expect reporting key performance indicators will change to incorporate lessons learned.

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2008 OPERATING BUDGET
EXPENDITURES


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| | | 2006 ACTUAL | 2007 BUDGET | 2007 ACTUAL | 2008 BUDGET | MEMO | 2009 FORECAST | 2010 FORECAST |
|---|---|---|---|---|---|---|---|---|
| CORPORATE SERVICES DIVISION | | | | | | | | |
| GENERAL MANAGER 01-08-1000-0000- | | | | | | | | |
| 28** | Salaries | 179,965 | 92,152 | 21,518 | 207,740 | | 217,367 | 223,893 |
| 29** | Fringe Benefits | 17,917 | 17,579 | 3,829 | 35,719 | | 38,211 | 40,327 |
| 3*** | General Operations | 2,824 | 10,300 | 1,263 | 9,700 | | 11,045 | 11,800 |
| 4201 | Minor Equipment | - | - | - | - | | - | - |
| Total Other | | 200,706 | 120,031 | 26,610 | 253,159 | | 266,623 | 276,020 |

NOTES

## The Department Budget and Forecast

Every Performance Plan includes a report describing financial trends. A department's operating budget includes two components – the base budget and service level changes. The base budget includes costs that are expected to carry forward from year to year, as they reflect the resources required to deliver existing services and service levels. When a department plans to make a significant change to planned services or service levels, it would describe these changes separately via a Service Level Change Form. If approved, the service level change information would be incorporated into the department's base budget in future periods.

Comparative information about actual costs incurred for each of the preceding two years is provided along with the previous year's budget. In addition to the current year's budget, forecasts for the next two years are also reported to help the reader put the current year's budget request in a broader context. This report is useful for identifying any significant changes to the base budget and for assessing the extent to which actual costs incurred match previously planned levels.

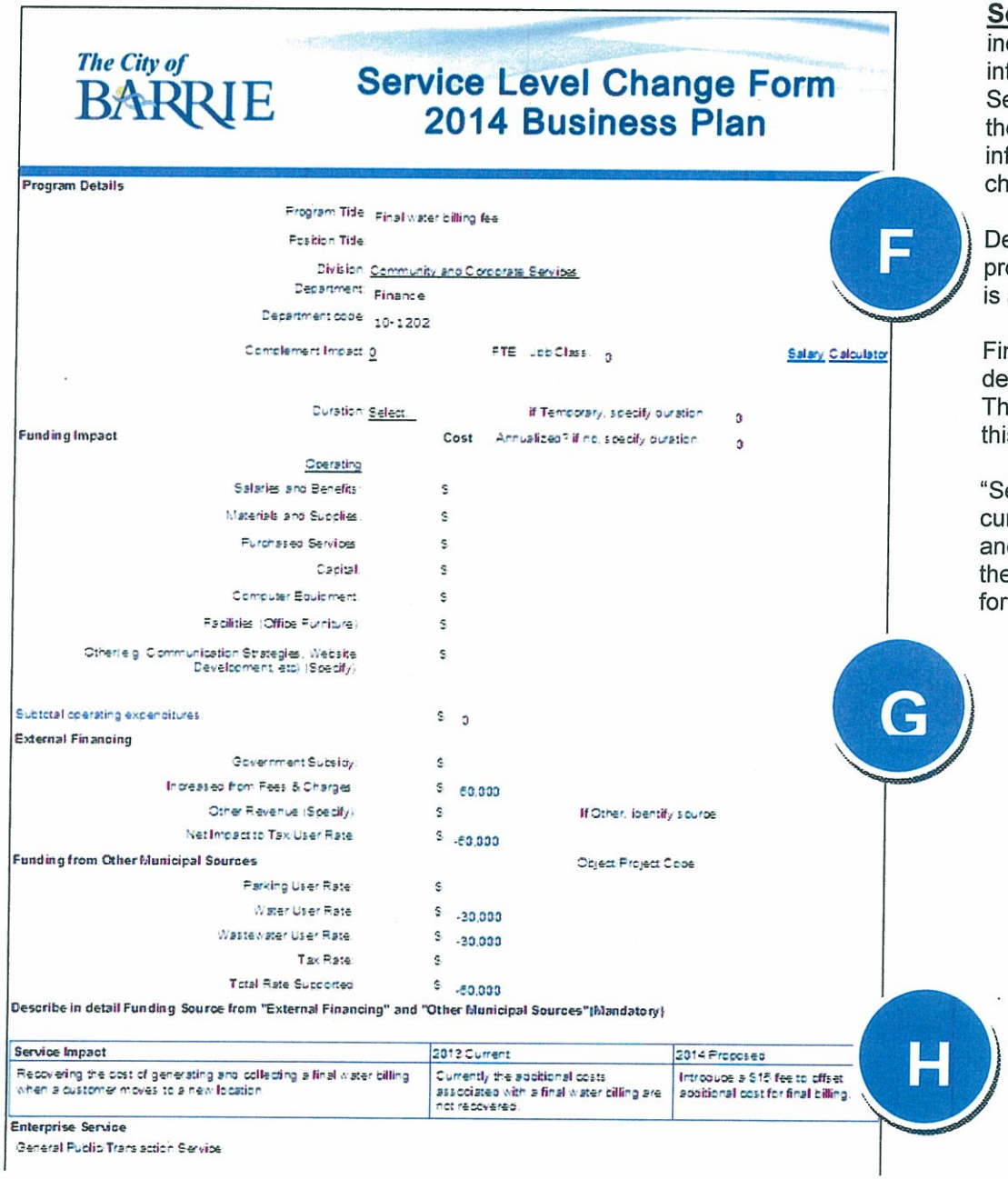
COMMUNITY AND CORPORATE SERVICES DIVISION
General Manager of Community and Corporate Services
2014 Base Budget Change Report

| | 2012 Actual Expenditures $ | 2013 Approved Budget $ | 2013 Forecasted Expenditure $ | 2014 Base Budget $ | Service Level Change(s) $ | 2014 Requested Budget $ | Change in 2014 Base Budget to 2013 Forecasted $ | % | Comments | Change in 2014 Requested Budget to 2013 Forecasted $ | % |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **EXPENSES** | | | | | | | | | | | |
| Salaries | 375,760 | 252,822 | 255,343 | 265,116 | | 265,116 | 9,773 | 4% | | 9,773 | 4% |
| Fringe Benefits | 77,815 | 54,698 | 58,341 | 56,053 | | 56,053 | (2,288) | -4% | | (2,288) | -4% |
| **Total Salaries and Benefits** | **453,575** | **307,520** | **313,684** | **321,169** | | **321,169** | **7,485** | **2%** | | **7,485** | **2%** |
| **OPERATING EXPENSES** | | | | | | | | | | | |
| General Operations | 14,098 | 14,734 | 17,620 | 14,700 | | 14,700 | (2,920) | -17% | | (2,920) | -17% |
| Minor Capital | | 300 | 300 | 300 | | 300 | | % | | | % |
| Hydro, Water, Sewer, Gas | | | | | | | | | | | |
| Transfers to other Boards, Municipalities, Agencies | | | | | | | | | | | |
| **Total Operating Expenses before Debenture Costs and Transfers** | **14,098** | **15,034** | **17,920** | **15,000** | | **15,000** | **(2,920)** | **-16%** | | **(2,920)** | **-16%** |
| **DEBENTURE COSTS AND TRANSFERS** | | | | | | | | | | | |
| Lease Equipment/Property | | | | | | | | | | | |
| Financial Expenses | | | | | | | | | | | |
| Transfer to/from User Rate Reserve Funds | | | | | | | | | | | |
| Transfer to Reserves | | | | | | | | | | | |
| Transfer to Capital Fund | | | | | | | | | | | |
| **Total Debenture Costs and Transfers** | | | | | | | | | | | |
| **Gross Expenditures** | **467,673** | **322,554** | **331,604** | **336,169** | | **336,169** | **4,565** | **1%** | | **4,565** | **1%** |
| **Revenues** | | | | | | | | | | | |
| Other Government Funding | | | | | | | | | | | |
| Contribution from Reserves/Reserve Funds | | | | | | | | | | | |
| Licences, Permits, Application Fees | | | | | | | | | | | |
| Fines | | | | | | | | | | | |
| Fees, Charges, Service Rentals | | | | | | | | | | | |
| Other Revenue | (21,000) | (21,000) | (21,000) | (21,000) | | (21,000) | | % | | | % |
| **Total Revenues** | **(21,000)** | **(21,000)** | **(21,000)** | **(21,000)** | | **(21,000)** | | **%** | | | **%** |
| **Net Operating Expense/(Revenue)** | **446,673** | **301,554** | **310,604** | **315,169** | | **315,169** | **4,565** | **1%** | | **4,565** | **1%** |

## The Base Budget Change Report

Every performance plan also includes a "Base Budget Change Report" to identify and explain variances between planned and actual costs that are greater than $10,000. The first three columns in this report provide data that matches the information found in the Department Budget and Forecast report (see previous page). Here, the emphasis is on explaining why the requested base budget is significantly different from the actual experience of the prior period.

If a Performance Plan includes service level changes, the financial impact(s) are included here in the "Service Level Change(s)" column. The base budget plus the service level change(s) are added to calculate the 2014 Requested Budget. Service Level Changes are presented for approval separate from the base budgets, and would only be incorporated into the base budget if they are approved.



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## Service Level Change Form 2014 Business Plan

**Program Details**

Program Title: Final water billing fee
Position Title:
Division: Community and Corporate Services
Department: Finance
Department code: 10-1202
Complement Impact: 0 FTE Job Class: 0 Salary Calculator

Duration: Select If Temporary, specify duration: 0
Annualized? If no, specify duration: 0

**Funding Impact**

| | Cost |
|---|---|
| Operating | |
| Salaries and Benefits | $ |
| Materials and Supplies | $ |
| Purchased Services | $ |
| Capital | $ |
| Computer Equipment | $ |
| Facilities (Office Furniture) | $ |
| Other (e.g. Communication Strategies, Website Development, etc) (Specify) | $ |
| Subtotal operating expenditures | $ 0 |
| **External Financing** | |
| Government Subsidy | $ |
| Increased from Fees & Charges | $ 60,000 |
| Other Revenue (Specify) | $ If Other, identify source |
| Net Impact to Tax/User Rate | $ -60,000 |
| **Funding from Other Municipal Sources** | Object Project Code |
| Parking User Rate | $ |
| Water User Rate | $ -30,000 |
| Wastewater User Rate | $ -30,000 |
| Tax Rate | $ |
| Total Rate Supported | $ -60,000 |

**Describe in detail Funding Source from "External Financing" and "Other Municipal Sources" (Mandatory)**

| Service Impact | 2013 Current | 2014 Proposed |
|---|---|---|
| Recovering the cost of generating and collecting a final water billing when a customer moves to a new location | Currently the additional costs associated with a final water billing are not recovered. | Introduce a $15 fee to offset additional cost for final billing. |

**Enterprise Service**
General Public Transaction Service

F

G

H

**Service Level Change Form**: If a department wants to increase its base budget to include new resources or introduce a new product or service, it must present a Service Level Change form for approval. The purpose of the Service Level Change form is to provide detailed information regarding a change in program direction or a change in staff complement levels.

Details about the source of the Service Level Change are provided in the "Program Details" section (see "F"). If there is a complement impact, it would be described here.

Financial details included in a Service Level Change describe both the anticipated costs and benefits (see "G"). The "Net Impact" figure shows the cost or revenue impact this program change would have on the City's budget.

"Service Impacts" (see "H") describe the difference between current services and/or service levels and the services and/or service levels that are anticipated to be produced if the change is approved. This section helps provide context for the "Business Case" (see "I")

**Business Case**

A final water billing fee of $15 is being recommended to recover the operational costs of creating and collecting a water bill, that is outside the regular billing cycle, for those customers that are moving to a new location. Although we can retrieve the meter reading through the AMI system, the process still requires loading of the data into the software, verifying and printing the water bill. In most cases, copies of the water bills must be sent to the appropriate lawyers' offices for settlement funds distribution. Collection activities include issuing reminder and final notices and transferring the outstanding amount to the property tax account if necessary.

Some municipalities are charging a final meter reading fee however it is through their hydro provider who bills water services on their behalf. Oakville charges $30 per reading; they are not utilizing an AMI system. Toronto charges $15 per reading and some areas of Toronto are utilizing the AMI system. Other municipalities include this in their new account fee or administrative fee for which those fees are much higher in comparison to Barrie's water new account fee of $30.

Estimated revenue of $60,000 is based on implementation in April of 2014 to allow sufficient time for configuration, process development and public communication. Annualized revenue is expected to be $90,000.

**Details**

| GL | Description | $ | Sub Total |
|---|---|---|---|
| 01-10-1202-0000-8600 | Fees and Services | -60,000 | -60,000 |
| 01-10-1202-0000-8602 | Trs fr to/from Water Operations | 30,000 | -30,000 |
| 01-10-1202-0000-8604 | Trs fr to/from Sewer Operations | 30,000 | 0 |
| 01-18-2666-0000-6005 | Corporate Support | -30,000 | -30,000 |
| 01-18-2756-0000-6005 | Corporate Support | -30,000 | -60,000 |
| 01-18-2646-0000-4602 | Transfer to Water Reserve | 30,000 | -30,000 |
| 01-18-2750-0000-4601 | Transfer to Wastewater Reserve | 30,000 | 0 |

| Enterprise Service | Dept Service | Dept Service $ | Dept Service % |
|---|---|---|---|
| General Public Trans action Service | Water and Wastewater Billing | -60,000 | 100 |

Total -60,000

The Business Case section summarizes the essential financial, service level and resource issues associated with the program change in a manner that gives a reader who is not intimately familiar with the program an understanding of the cost and benefits associated with these plans. Specific issues that would typically be highlighted here include:

- Details about complement impact
- Previous Council approved staff reports
- Provincial regulations
- Anticipated performance impacts
- Relationship to the Strategic Plan
- Relationship to the capital budget
- Relationship to growth and development
- Impacts of this program change on other areas of the corporation (if any, e.g. Technology Services support, Finance support).